

Mr. SMITH of New Hampshire. I too would like to thank Senator FRIST, Senator KENNEDY and Senator GREGG for agreeing to work with us to ensure these two proposals are included in the bioterrorism proposal. I regret that with the end of session quickly approaching, there is not time to incorporate these provisions into the underlying bill. As we all recognized in our support for these proposals, since the September 11th attacks, Americans throughout the country have become concerned about the security of our nation's water supply. While it is widely believed that our water supply is safe, there are a few vulnerabilities that must be addressed. Our bills would provide resources for research into security at facilities and assessment tools while also providing seed money to encourage additional spending on security measures.

Mr. JEFFORDS. Our colleagues on the House side also recognized this need by including water security provisions in the bioterrorism bill, H.R. 3448, that was passed by the House on December 12th. I would like my colleagues' assurance that during conference they will press for adoption of the modified versions of S. 1593 and S. 1608.

Mr. KENNEDY. I intend to press for adoption of these provisions. The security of our nation's water supply is crucial to the health and well-being of our citizens.

Mr. GREGG. I concur, and I intend to press for adoption of these provisions.

Mr. FRIST. I agree and you have my commitment to do the same.

Mr. SMITH of New Hampshire. I again would like to thank my colleagues for agreeing to fight for these provisions during conference. It was with great reluctance that Senator JEFFORDS and I agreed to allow S. 1765 to be brought to the floor without our legislation included so that we can move forward on this important bill and conference it with the House. However, it is important that these immediate needs be addressed and that our proposals be included in the final legislation. I look forward to working with my colleagues to ensure that the provisions we agreed to that comprise the modified versions of S. 1593 and S. 1608 are included in the bioterrorism bill.

Mr. JEFFORDS. Finally, I want to commend Senators KENNEDY, FRIST, and GREGG and say that I am looking forward to working with them during the conference on these measures.

#### AMENDMENT NO. 2692

Mr. REID. Mr. President, I understand Senators FRIST, KENNEDY, and GREGG have a substitute amendment at the desk which is the text of S. 1765. I ask unanimous consent that the amendment be considered and agreed to and the motion to reconsider be laid upon the table; that the bill, as amended, be read a third time and passed, the motion to reconsider be laid upon the table; that the Senate insist on its

amendment, request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate, without intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2692) was agreed to.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted and Proposed.")

Mr. LOTT. Mr. President, I thank Senator REID for moving this very important Bioterrorism Preparedness Act forward. I commend Senators FRIST, KENNEDY, and GREGG for their work. We intend to work with the House and get this passed quickly when we return. I thank Senator REID.

Mr. REID. I appreciate everyone's cooperation.

The Presiding Officer (Mr. CORZINE) appointed Mr. KENNEDY, Mr. DODD, Mr. HARKIN, Ms. MIKULSKI, Mr. JEFFORDS, Mr. GREGG, Mr. FRIST, Mr. ENZI, and Mr. HUTCHINSON conferees on the part of the Senate.

#### MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to a period for morning business, with Senators allowed to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### TERRORISM INSURANCE

Mr. DASCHLE. Mr. President, it was regrettable today that we were unable to gain unanimous consent to take up H.R. 3210, the House terrorism insurance bill, and amend it with a substitute offered by the Senator from Connecticut, Mr. DODD. We made a good-faith effort to address a pressing need, but we found that some of our colleagues insisted on the consideration of amendments that would make it impossible to complete work on this issue in the short time this session of Congress had remaining.

In the wake of September 11th, a number of insurance companies are declining to provide coverage from losses that would result from a terrorist attack. Those policies that are available are often priced so high that they are unaffordable. Senator DODD's proposal would have given them the safety net they need to keep insuring against terrorist risks. In turn, that coverage would allow builders to keep building, businesses to keep growing, and, hopefully, prevent against further economic setbacks.

Our amendment was the product of extensive bipartisan negotiations. It was developed with extensive consultation with a number of Senate Democrats and Republicans—including Senator GRAMM—as well as the White House and the Treasury Department. I am especially appreciative of the enor-

mous commitment of time and energy by the Senator from Connecticut, Mr. DODD, the Chairman of the Banking Committee, Mr. SARBANES, the Chairman of the Commerce Committee, Mr. HOLLINGS, the senior Senator from New York, Mr. SCHUMER, the junior Senator from New Jersey, Mr. CORZINE, and many others from both sides of the aisle.

While we were unable to reach agreement on every point, the proposal incorporated line-by-line suggestions by our colleagues from both sides of the aisle and the Administration. It represented a compromise.

It requires substantial payments by insurance companies before the federal government provides a backstop. The proposal would require the insurance industry to retain the responsibility to pay for up to \$10 billion in losses in the first year, and up to \$15 billion in losses in the second year or around 7 percent and 10 percent of their annual premiums for each affected company. This legislation would ensure stability in the insurance market so that businesses can afford to purchase insurance.

As this session of Congress drew to a close, and we were forced to operate in an environment that required unanimous consent agreements to do our business, I regret that we were unable to complete our work on this legislation.

Accordingly, the Senate will keep a watchful eye on the insurance market in the coming weeks, and we will take the appropriate action to respond to any problems that arise from the failure to gain approval for the measure we sought to pass today.

Mr. DODD. Mr. President, 3 months ago, our nation suffered devastating terrorist attacks. We are now confronted with one of the many aftereffects of the terrible events of September 11th on our nation. We are faced with the prospect that insurance protecting America's buildings, businesses, homes and workers from terrorist acts will no longer be available.

It is generally accepted that roughly 70 percent of insurance contracts are scheduled to be renewed by year's end. Already, many insurers have announced their intention to withdraw terrorism coverage from new insurance policies.

This is simply because primary insurers, who deal directly with policyholders, have been unable to, in the short term, purchase reinsurance from an unstable reinsurance market. Reinsurers are currently unwilling to write coverage in the face of future catastrophic losses equal in magnitude to those suffered at the World Trade Center.

Without the ability to purchase reinsurance, primary insurers cannot actuarially price policies that incorporate the assumption of catastrophic terrorist losses.

They are faced with two choices. They can seek permission from state